

Tyler Jay King
tyler@lawgroupfs.com
Franklin Square Law Group
1225 Eye St., NW, Ste. C-110
Washington, DC 20005
Telephone: (202) 436-2641
Facsimile: (202) 478-0964

(pro hac vice)

Kevin Bons (OSB 066963)
kbons@beckley-law.com
Beckley & Bons, P.C.
66 Club Road, Suite 360
Eugene, Oregon 97440
Telephone: (541) 683-0888
Facsimile: (541) 683-0889

Attorney for Defendants Reality Kats, LLC
And Dennis Simpson

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
MEDFORD DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

ADEPT MANAGEMENT, INC., et, al.

Defendants.

CIVIL ACTION NO. 1:16-CV-00720-CL

REPORT

Defendants Reality Kats, LLC and Dennis Simpson's Report Regarding Rule 16 Conference

Pursuant to the Court's Order on December 5, 2016, Defendants Reality Kats, LLC and Dennis Simpson (the "Simpson Defendants") submit the following report and proposal regarding the Rule 16 Scheduling Conference (the "Conference"). The Simpson Defendants propose

postponing the Rule 16 Scheduling Conference by no less than for sixty (60) days to allow the parties adequate time to prepare for the Conference and resolve outstanding issues.

Statement

The Court requested a brief statement regarding the Rule 16 Scheduling Conference set for December 14, 2016, and whether that Conference should proceed or be postponed. The Simpson Defendants believe the Conference should be postponed because of the pending answers to the Crossclaims filed against Mr. Hoyal and H&A on November 17, 2016, and because of the pending answers to the Third Party Complaint filed against David Lennon and Lennon & Klein, P.C. on December 1, 2016. Further, the Simpson Defendants may need to Answer Counterclaims and/or file Rule 21 motions following David Lennon's and Lennon & Klein, P.C.'s Answer.

The Court has directed the parties to consult prior to the Rule 16 Conference. Pursuant to Rule 26(f), the parties consulted in July, however, there are still a number of issues yet to be resolved prior to the Rule 16 Conference. As a result, a second Rule 26(f) Conference has been scheduled to address the outstanding issues prior to the Rule 16 Conference. These issues include a Joint Discovery Plan (the Plan) proposed by the FTC, given the number of issues and parties in the case. The Simpson Defendants however, have not reached agreement with the FTC regarding what portion of the Plan, if any, they agree to. In addition, the FTC anticipates receiving Defendants Initial Disclosures prior to the Rule 16 Conference. The Simpson Defendants require additional time to prepare and produce these disclosures given the recent flurry of activity in the case.

The FTC has also indicated that it may file motions and/or objections to the Crossclaims, Third Party Claims, and Affirmative Defenses. As a result, the Simpson Defendants may need to

file oppositions or replies to any motions or objections filed by the FTC. Therefore, for the reasons stated herein, postponing the Rule 16 Conference is reasonable under the circumstances.

Proposal

Due to the Third Party Complaint against David Lennon and Lennon & Klein, P.C., the Simpson Defendants propose postponing the Rule 16 Scheduling Conference for no less than sixty (60) days. The new date for the Rule 16 Conference would be February 13, 2017.

DATED: December 7, 2016

Respectfully Submitted,

/s/ _____

Tyler Jay King, Esq.
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Washington, DC 20005
(202) 436-2641
tyler@lawgroupfs.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on December 7, 2016, a copy of the foregoing was served electronically in compliance with this Court's electronic filing system to the pertinent parties of record in this matter:

Connor Shively cshively@ftc.gov
Krista K. Bush kbush@ftc.gov, ecfseattle@ftc.gov
Laura Marie Solis lsolis@ftc.gov
Richard McKewen rmckewen@ftc.gov, ecfseattle@ftc.gov

Attorneys for Plaintiff

David B. Paradis dparadis@brophylegal.com, dgaro@brophylegal.com,
lparadis@brophylegal.com

Attorney for Defendants Jeffrey Hoyal and H&A

David Paul Lennon david@lennon-klein.com

Attorney for Defendants Linda Babb; Shannon Bacon; Colleen Kaylor; Laura Lovrien; Noel Parducci; Lydia Pugsley; William Strickler; Adept Management, Inc.; Anchor Publishing Group, Inc.; Associated Publishers Network, Inc.; Atlas Business Consulting LLC; Clarity Group, Inc.; Consolidated Publishers Exchange, Inc.; Crown Resource Management LLC; Customer Access Services, Inc.; Express Publishers Service, Inc.; HCG, Inc.; Henry Cricket Group, LLC; Liberty Publishers Service, Inc.; Magazine Clearing Exchange, Inc.; Magazine Link, Inc.; Maximillian, Inc.; North West Data Services LLC; PPP Magazines, Inc.; Publishers Payment Processing, Inc.; Specialties, Inc.; Subscription House Agency, Inc.; United Publishers Exchange, Inc.; Wineoceros Wine Club, Inc.

Kevin Bons kbons@beckley-law.com

Attorney for Defendants Reality Kats, LLC and Dennis Simpson

Respectfully Submitted,

/s/ _____

Tyler Jay King, Esq.